

Commonwealth of Puerto Rico
Department of Labor and Human Resources
Human Resources and Occupational Development Council

Addendum 3:

Waiver Requests Justification for the Two Years of the Strategic Five-Year State Plan for
 Title I of the Workforce Investment Act of 1998 and Wagner-Peyser Act

June 8, 2005

Statute Regulatory Provision	Citation	Description	Justification
20% limitation to transfer program year allocation for dislocated workers and adult employment and training programs	133(b)(4) 20CFR 67.140	SEC. 133. WITHIN STATE ALLOCATIONS, Section 133(b)(4): (4) Transfer authority. --A local board may transfer, if such a transfer is approved by the Governor, not more than 20 percent of the funds allocated to the local area under paragraph (2)(A) or 3), and 20 percent of the funds allocated to the local area under paragraph (2)(B), for a fiscal year between: (A) adult employment and training activities; and (B) dislocated worker employment and training activities. § 667.140 Does a Local Board have the authority to transfer funds between programs? (a) A Local Board may transfer up to 20 percent of a program year allocation for adult employment and training activities, and up to 20 percent of a program year allocation for dislocated worker employment and training activities between the two programs.	Previously approved on December 6, 2002

		<p>(b) Before making any such transfer, a Local Board must obtain the Governor's approval.</p> <p>(c) Local Boards may not transfer funds to or from the youth program area under WIA section 116(b) or to a balance of State local area administered by a unit of the State government, and</p> <p>(2) Inter-agency transfers and other actions treated by the State as encumbrances against amounts reserved by the State under WIA sections 128(a) and 133(a) for Statewide workforce investment activities.</p>	
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Extension of waiver of customized training: 50% employer match requirement.	101(8) 20CFR663.715 (c)	<p>663.715 What is customized training? Customized training is training:</p> <p>(a) That is designed to meet the special requirements of an employer (including a group of employers);</p> <p>(b) That is conducted with a commitment by the employer to employ, or in the case of incumbent workers, continue to employ, an individual on successful completion of the training; and</p> <p>(c) For which the employer pays for not less than 50 percent of the cost of the training. (WIA sec. 101(8).)</p>	<p>Match Requirement Waiver Request for Customized Training Activity</p> <p>Description of the Goals of the Waiver and Expected Outcomes: Industries in Puerto Rico are confronting a competitive disadvantage related to the global economic market in terms of the cost of labor force, minimal environmental and legal restrictions. In addition, we have to face the challenge of overcoming the effects of the elimination of the Section 936 of the U.S. Tax Code, effective on July 2006. The industry most affected by this event is manufacturing, specially the textile industry.</p> <p>Under this situation, it is necessary to maintain the competitive edge of the industries operating in the Island, protecting existing and promoting the creation of new jobs. To accomplish this objective, it is necessary to improve the industries production technology, and increase the worker's skills in these technologies.</p> <p>Many of these industries cannot finance the training costs related to the acquisition of new production technologies, necessary to stay competitive and survive in the global market. WIA funds are an essential tool to strengthen the competitive capacity on the industries through training employees and overcoming skill gaps.</p> <p>One of the economic development strategies of the Puerto Rican government is to attract</p>
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Waiver to eliminate self-sufficiency criteria for training employed workers	20 CFR 663.720	<p>§ 663.720 What are the requirements for customized training for employed workers?</p> <p>Customized training of an eligible employed individual may be provided for an employer or a group of employers when:</p> <p>(a) The employee is not earning a self-sufficient wage as determined by Local Board policy;</p> <p>(b) The requirements in § 663.715 are met; and</p> <p>(c) The customized training relates to the purposes described in § 663.705(c) or other appropriate purposes identified by the Local Board.</p>	<p>Waiver to Eliminate Self-sufficiency for Training Employed Workers</p> <p>Since the inception of WIA many of our local areas have denied the provision of services to employed workers because they were considered to be earning wages that were above the self-sufficiency criteria level. We understand that this section of the law and regulation is contrary to the original intent and spirit of the law and against the present administration's goal which is to increase flexibility in the one stop delivery system and aligned the system to be demand driven.</p> <p>Workers who are earning wages considered to be well above the self-sufficiency criteria should not be penalized and excluded from receiving training and employment services provided by the local areas One Stop Center. Due to the ever changing economy, present jobs are requiring and demanding new and higher skill knowledge from their employees. It is imperative that the local areas responds to the needs of the private sector and provide training to any worker in need to increase or update their skills. In addition, it is increasingly important to maintain our workforce competitive in today's global economy.</p> <p>With the approval of this waiver, the local area will <u>provide specialized skills training to</u></p>
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Prohibition on Use of Individual Training Accounts for Youth.	20 CFR 664.510	<p>664.510 Are Individual Training Accounts allowed for youth participants?</p> <p>No, however, individuals age 18 and above, who are eligible for training services under the adult and dislocated worker programs, may receive Individual Training Accounts through those programs. Requirements for concurrent participation requirements are set forth in § 664.500. To the extent possible, in order to enhance youth participant choice, youth participants should be involved in the selection of educational and training activities</p>	<p>Request for Waiver of the Prohibition of use of Individual Training Accounts (ITAs) for Older Youth</p> <p>The Puerto Rico State Investment Board is requesting a waiver of the regulatory prohibition of using Individual Training Accounts (ITAs) for older youth and out-of-school youth.</p> <p>In compliance with WIA Section 189(i) (4)(B) and WIA Regulations 664.510, please accept the following as request for a waiver:</p> <p>A. Statutory Regulation to be Waived:</p> <p>WIA Regulation 29 CFR 664.510 prohibit the use of Individual Training Accounts for youth participants. This waiver requests the use of Individual Training Accounts for older youth and out of school youth with implementation being upon approval of this waiver request. Puerto Rico is requesting such a waiver that will allowing older youth and out-of-school youth, if deemed appropriate, to select approved ITA programs from Eligible Training Provider (ETP) List, while retaining their "youth" classification.</p> <p>This waiver is requested for all Local Areas of the Puerto Rico WIA System.</p> <p>B. Goals to be achieved by the Waiver:</p> <ul style="list-style-type: none"> Provides a mechanism to local areas to increase comprehensive services available by creating an additional service option Ensures local areas enough flexibility to
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